

BIG INCOMES TO BE TAXED.**INCOME TAX AMENDMENT ADDED TO CONSTITUTION.**

With Ratification by 38 States, Sixteenth Extra Section is Now Part of Fundamental Law of the Land—It Provides for Direct Taxes on Earnings of Citizens of Any State, Without Reference to Population—Bill Embodying Proposal Will be Introduced at Special Session of Next Congress.

Washington, Feb. 3.—Direct taxes on the incomes of citizens of the United States, whether derived from idle capital or from the conduct of business, were made possible today by ratification of the 16th amendment to the federal constitution. Delaware, Wyoming and New Mexico indorsed the income tax amendment through their respective legislatures, completing a list of 38 States that have approved it, two more than the three-fourths necessary for its final adoption.

Following is the list of States which ratified the income tax amendment: Alabama, Arkansas, Arizona, California, Colorado, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, South Carolina, South Dakota, Tennessee, Texas, Washington, Wisconsin, Louisiana, Ohio, West Virginia, Wyoming.

The following rejected it: Connecticut, New Hampshire, Rhode Island, Utah.

No action, or only partial action, was taken in the eight other States.

Leaders in congress predicted tonight that through this authorization the law which will be passed to levy the tax upon American incomes will be introduced as soon as the extra session opens. Its exact terms have not been decided upon, but it is believed it will exempt all incomes below \$4,000 or \$5,000 and will provide a tax of 1 per cent upon the majority of personal incomes that do not run to an excessive figure.

Informal notice of the final adoption of the new amendment was given to the senate by Senator Brown of Nebraska, who introduced the resolution in 1909 upon which the proposal for an income tax was submitted to the States. Drafting of the bill to put the tax in effect, it is expected, will fall to the lot of Representative Hull of Tennessee, a member of the house ways and means committee, who drew the excise tax bill proposed last year by the Democratic house, but which did not become law.

The income tax will be designed to supplant the present corporation tax and will apply to the incomes of individuals, firms and corporations. In a statement tonight, Representative Hull declared he favored making the new tax an integral part of the financial system of the United States to remain in full force without regard to the character of tariff bills that congress may enact from time to time.

One feature, which it is believed will be included in the law, will be provision for "collecting at the source" of the income. This feature, now in operation in England, would require firms to certify to amounts they pay to individuals in salaries or fees or pay the tax direct to the government. It is believed this would remove much complaint that might be made if the government had to investigate every citizen's income and would prevent evasion of law.

The annual amount that the government may realize under the income tax is estimated by Democratic leaders in congress at approximately \$100,000,000.

This would include the \$30,000,000 collected under the present corporation tax.

"One of the important results of an income tax," said Representative Hull, "will be the curbing of unnecessary federal expenditures. When a great part of the government's income is derived by a direct tax upon the citizens of the nation they will scrutinize more carefully the appropriations made by congress."

Probably it will remain for President-elect Wilson to make official announcement of the income tax amendment to the constitution.

To date the State department has received notices of approval by the legislatures of only 34 States, West Virginia, Delaware, Wyoming and New Mexico not having reported on their action. The department can not act upon anything less than the official certificate of the governors and secretaries of State.

Even when all of the certificates are at hand, the executive will not be in a position formally to announce that fact. In a matter of this importance, it is necessary to move with extreme caution and Secretary Knox, the custodian of the certificates, will refer them to the solicitor of the department of state for examination as to their sufficiency.

Already some questions have been raised as to the legality of the re-

turns. One was in the case of Kentucky, where the legislature initially adopted the amendment in advance of the receipt from Secretary Knox of the formal communication which should serve as a basis for a State's action. In consequence of this haste, and the use of a newspaper clipping, the language of the enacting resolution was slightly erroneous. As soon as the error was discovered an attempt was made to correct it by reenactment. In consequence of this haste, which had raised the issue. It is recalled that Secretary Seward in 1863 practically referred to congress the question whether the 14th amendment had been properly ratified by the States because of some such irregularity.

It is probable that Secretary Knox will not announce the ratification of the amendment upon the basis of the returns but will await the receipt of certificates from some of the States which have not yet acted on the amendment, but are reasonably certain to do so favorably. In this case and allowing for the time required for a painstaking examination by the solicitor, it probably will be after the fourth of March before the president's notice can issue of the addition of the income tax amendment.

BEACH TRIAL TUESDAY.

Millionaire New Yorker Before Court This Week on Charge of Slashing Throat of Wife. Negress Star Witness.

Aiken, S. C., Feb. 2.—Tuesday, about noon, in the court of general sessions in Aiken, Solicitor Gunter will sound the case of the State vs. Frederick O. Beach, millionaire New Yorker, on a charge of assault and battery with intent to kill. The State will contend that Beach, through jealousy, struck his wife, formerly Mrs. Havemeyer, on the head with a fence paling of the Beach winter home in Aiken, on the night of February 26, last.

Mr. and Mrs. Meach and Mrs. J. B. Tallor, of New York, Mrs. Beach's sister, are in Aiken awaiting the sounding of the case. Mr. Beach will, when arraigned, enter a plea of not guilty, and the court will proceed to strike a jury from citizens of Aiken county.

The State's star witness in the prosecution of the case will be a negro woman, by the name of Pearl Hampton, who, they will seek to show, was struck down with the same fence paling used on Mrs. Beach, just a minute before the attack on Mrs. Beach. Other testimony, it is understood, will be submitted from an Atlanta detective who was employed by the city of Aiken to work up the case.

The principal witness for the defense will be Mrs. Beach, herself, who will reiterate the story she told the night of the attack, that she heard someone at the front gate of the residence, went out to see who it was and found a negro man wearing an overcoat standing outside the gate. She said at the time that the negro had a note in his hand, which he said had been sent to an inmate of the Beach home. As he extended his hand to give her the note, and she was about to take it, the negro jumped at her and slashed her throat. Immediately, she says, the negro made his escape. In the attack Mrs. Beach lost a back comb from her hair and an ear-ring, both of which were later found, and which will be offered in evidence, as will the knife which Mr. Beach is said to have used.

The case will probably be concluded in one day, and acquittal is expected.

SCHOOL TROUBLE AT MANNING.

Unfortunate Disruption Threatened for Time to Result in an Indefinite Suspension of Classes.

Manning, Feb. 3.—An unfortunate disruption took place in the Manning graded and high school last Friday which for a time looked as if it might result in an indefinite suspension of the school. It appears that a question of discipline for infraction of rules by some of the pupils having been referred to and ruled upon by the trustees, a majority of the faculty tendered their resignations. They were requested by the trustees to reconsider the matter, and in the meantime Superintendent Newton tendered his resignation, which was accepted by the trustees. This morning work was resumed as usual in the first grade, but the other teachers held off until Maj. A. Levi on behalf of the trustees announced that the regular exercises would be resumed tomorrow morning with Miss Violet Brown, one of the high school teachers acting as superintendent until arrangements could be made for a successor to Prof. Newton. The fact that the first grade work was continued today by the regular teacher, Miss Richardson, served to obviate a total suspension of the school for the time.

Gov. Woodrow Wilson has announced that Joseph Patrick Tumulty will continue as his private secretary when he becomes president.

SEMINOLE GRAFTER PAROLED.

JNO. Y. GARLINGTON TURNED LOOSE BY BLEASE.

Governor Opens Prison Gates for Principal in Seminole Steal. Prisoner on Parole During "Good Behavior."

Information received Tuesday morning is to the effect that John Y. Garlington, one of the principals in the notorious "Seminole Steal," which rifled the pockets of the ablest business men of this and many other States about 4 years ago, was today paroled by Governor Cole L. Blease "during good behavior."

Garlington has been in the State Penitentiary for a little over a year. He was convicted of breach of trust in connection with the Seminole swindle, and was sentenced to serve 3 years at hard labor for the State of South Carolina. Not very long ago Garlington was allowed to go to the bedside of a sick relative at Laurens; he was away only a short time, but now the governor has given him freedom for as long a time as he will be good.

"The Seminole Steal," as the case in which Garlington was a principal actor, is familiarly known, has had too much notoriety already to be unfamiliar to the people of South Carolina and the South in general. Framed up in a manner that would have done credit to the most solidly founded corporation in the country, the Seminole Securities Company not only dragged money from the pockets of modest salaried men seeking investment, but also took neat piles from some of the ablest and wealthiest business men in the State.

The Railroads and Public Opinion.

Manufacturers Record.

With accustomed perspicuity President W. W. Finley of the Southern Railway Co., recently discussed railroads before the Chamber of Commerce at New Haven, Conn. In his consideration of the relation of the carriers to the public, he began by quoting from a late magazine article by Woodrow Wilson, in which it was said that a man of eloquence, but without conscience and reckless of consequences, could set this whole country aflame, that is, through the minds of its people; also that from end to end of the country it is believed that something is wrong. He likewise quoted from "The Crowd," a book by Gustave Le Bon, to illustrate the great force upon the popular mind of mere affirmation without reasoning or proof, but iterated and reiterated so that after a time the crowd believes the affirmation, while forgetting who made it.

Having thus outlined the danger existent in present conditions, Mr. Finley said that the striking accord between the words of Mr. Wilson and Mr. Le Bon suggests the wisdom of grounding public opinion in economic truth concerning the problems of our day so that affirmation and its repetition alone will not establish the belief that wrongs exist when they do not. Then he proceeded to consider the transportation question.

Some of his statements concerning the magnitude of railroad business in the United States are very impressive. One of them is that the operating expenses of our railroads in a year would pay for the cost of building the Panama Canal (\$375,000,000) five times over and yet leave sufficient to fortify five such canals and build battleships to defend them; also that a distinguished authority estimated the annual requirements of the railroads for additional capital to keep pace with the growth of traffic and its demands to be from two to three times the total cost of the canal, and, furthermore, that one railroad had invested in its property out of its earnings an amount approximating the canal's cost, and which might have been distributed in dividends but for the company's conservative management. He also remarked that the rate of taxation of railroad property generally has increased fully 150 per cent since 1890, and it is still increasing.

Discussing railway rates, Mr. Finley expressed the opinion that it is essential for the development of transportation service that it shall be recognized as right for a railway "to make a charge for each service that shall be reasonable as measured by that service having fair reference to its value." He opposed the idea of fixing charges for service so as to yield a predetermined rate of net income, which he thought full knowledge would demonstrate to be "uneconomical and impossible." He also said that small net income for a railroad would not justify charges "exorbitant or unreasonable as measured by the service performed," neither would large net income justify reduction of charges "reasonably low as measured by that standard." Concerning this latter it may be remarked that difficulty will probably be encountered in any effort to obtain popular assent to his expressed conclusion.

Taking up the matter of wages, the

speaker said he believed that if any interruption to railroad service resulted from a difference between employers and employees the public should have full information upon which to base intelligent opinion as to the merits of the dispute. In Canada this is accomplished by the industrial pursuits investigation law, which statute relies largely upon the force of enlightened public opinion. Mr. Finley thought, however, that the provisions of this law should be adopted in the United States, but, instead of three members, the special board to be named in each case submitted for arbitration should have five members, one to be selected by each party to the controversy, these two to choose two others, and the two last named to select the fifth member. Provision must be made for filling out the board in the event of protracted disagreement between the first two men chosen. He directed attention to the importance of maintaining service at all times and to safeguard it from strikes and lockouts.

One of his most significant utterances was this: "Even under the most favorable circumstances, however, the railways cannot return earnings to the property in amounts sufficient to enable them to meet the increasing demands for service. To a large extent additional carrying capacity will have to be provided through the investment of new capital." He also pointed out that the credit essential to the obtaining of new capital depends on the proportion of gross earnings saved as net income, and, furthermore, that railroad prosperity and the ability of the lines to adequately perform transportation depends very largely upon the state of the public mind toward them. Therefore, the attitude of the Government should be to instill into the public mind confidence in the railways. He quoted President Hadley of Yale as saying: "We must lend a hand to the men who are getting things done. We shall deal with the problems of corporate regulation and with the abuse of corporate management more effectively if we are willing to appreciate efficient service."

President Finley will undoubtedly have the sympathy and support of all fair-minded men for his conclusion that the railroads, being regulated to protect the rights of the public, are rightly entitled to protection in their property rights and to enjoy such liberty in their affairs as is necessary to the success of a business. None want the companies to perform transportation service without profit, for lack of profit means more serious loss to the people who use the railroads than it does to the railroad companies themselves.

Greenville Girl Ends Her Life.

Greenville—Rather than leave home to go to school and angered by her mother's plea to do so Annie Allen, a pretty 13-year-old daughter of Mr. and Mrs. Walter Allen of this city, yesterday ended her life by shooting herself through the heart with a 32 Iver Johnson revolver.

Only one bullet was fired, but this was sufficient to cause instant death to the pretty little girl. The deed was committed in an outhouse near the residence.

The report of the pistol attracted the attention of her mother, who was in the house at the time. The mother rushed out to her daughter, but it was too late, for the child was then breathing her last. A physician was summoned and then the coroner was notified.

Marriage License Record.

Marriage licenses were issued Monday to Mr. Jos. M. Wertz and Miss Nora Brunson of Sumter; also to Mr. E. Burchill Hudson and Miss Una Lee Hudson of Privater. One colored couple secured a license Monday, Hargrison White and Susan E. Washington of Remini.



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